

Loans to partnerships, joint ventures, and associations.

Part 31 applies different rules to implement different restrictions applicable to partnerships. For purposes of the limits on loans to executive officers, a loan made to a partnership in which an executive officer of the lending bank holds a majority interest is deemed to have been made to the executive officer. For all other purposes under Part 31, a loan to a partnership will be attributed to an executive officer or other insider only if the partnership is a "related interest" of the insider or if the loan is transferred to, or used for the tangible economic benefit of, the insider. Part 32 does not make any similar distinction based on the restriction in question. Under Part 32, a loan made to a partnership, joint venture, or association will be attributed to all members of such an entity—regardless of the percentage of ownership—unless a person's liability is limited by a valid agreement. Conversely, loans to members of a partnership, joint venture, or association will not be attributed to the entity under Part 32 unless either the "common enterprise" or "direct benefit" test is met.

Dated: October 2, 1996.

Eugene A. Ludwig,

Comptroller of the Currency.

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SMALL BUSINESS ADMINISTRATION

13 CFR PART 121

Small Business Size Standards; Notice of Waiver of the Nonmanufacturer Rule

AGENCY: Small Business Administration.

ACTION: Notice to waive the Nonmanufacturer Rule for Purified Terephthalic Acid Ground (PTAG) and Un-Ground (PTAU).

SUMMARY: This notice advises the public that the Small Business Administration (SBA) is establishing a waiver of the Nonmanufacturer Rule for Purified Terephthalic Acid Ground (PTAG) and Un-Ground (PTAU). The basis for a waiver is that no small business manufacturers are available to participate in the Federal market for these products. The effect of a waiver will allow otherwise qualified nonmanufacturers to supply the products of any domestic manufacturer on a Federal contract set-aside for small businesses or awarded through the SBA 8(a) Program.

EFFECTIVE DATE: October 21, 1996.

FOR FURTHER INFORMATION CONTACT: David Wm. Loines, Procurement Analyst, (202) 205-6475, FAX (202) 205-7324.

SUPPLEMENTARY INFORMATION: Public Law 100-656, enacted on November 15, 1988, incorporated into the Small Business Act the previously existing regulation that recipients of Federal contracts set-aside for small businesses or the SBA 8(a) Program procurement must provide the product of a small business manufacturer or processor if the recipient is other than the actual manufacturer or processor. This requirement is commonly referred to as the Nonmanufacturer Rule. The SBA regulations imposing this requirement are found at 13 CFR 121.406(b). Section 303(h) of the law provides for waiver of

this requirement by SBA for any "class of products" for which there are no small business manufacturers or processors in the Federal market. To be considered available to participate in the Federal market on these classes of products, a small business manufacturer must have submitted a proposal for a contract solicitation or received a contract from the Federal Government within the last 24 months. The SBA defines "class of products" based on two coding systems. The first is the Office of Management and Budget Standard Industrial Classification Manual. The second is the Product and Service Code (PSC) established by the Federal Procurement Data System.

The SBA was asked to issue a waiver for PTAG and PTAU because of an apparent lack of any small business manufacturers or processors for them within the Federal market. The SBA searched its Procurement Automated Source System (PASS) for small business participants and found none. We then published a notice in the Federal Register on May 6, 1996 (vol. 61, no. 88, found none). We then published a notice in the Federal Register on May 6, 1996 (vol. 61, no. 88, p. 20191), of our intent to grant a waiver for these classes of products unless new information was found. The proposed waiver covered PTAG and PTAU (PSC 6810). The notice described the legal provisions for a waiver, how SBA defines the market and asked for small business participants of these classes of products. After the 15-day comment period, no small businesses were identified for PTAG and PTAU. This waiver is being granted pursuant to statutory authority under section 303(h) of Public Law 100-656 for PTAG and PTAU. The waiver will last indefinitely but is subject to both an annual review and a review upon receipt of information that the conditions required for a waiver no longer exist. If such

information is found, the waiver may be terminated.

Judith A. Roussel,

Associate Administrator for Government Contracting.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 95-CE-40-AD; Amendment 39-9782; AD 96-21-05]

RIN 2120-AA64

Airworthiness Directives; Fairchild Aircraft SA226 and SA227 Series Airplanes

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that applies to certain Fairchild Aircraft SA226 and SA227 series airplanes that do not have a certain elevator torque tube installed. This action requires drilling inspection access holes in the elevator torque tube arm, inspecting the elevator torque tube for corrosion, replacing any corroded elevator torque tube, and applying a corrosion preventive compound. Several reports of corrosion found in the elevator torque tube area on the affected airplanes prompted this action. The actions specified by this AD are intended to prevent failure of the flight control system caused by a corroded elevator torque tube, which could result in loss of control of the airplane.

DATES: Effective November 29, 1996.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of November 29, 1996.

ADDRESSES: Service information that applies to this AD may be obtained from Fairchild Aircraft, P.O. Box 790490, San Antonio, Texas 78279-0490; telephone